

HR 1701: Why it matters | Reducing office politics | Marketing to grow

PROGRESSIVE

Rentals

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WHEN IT'S OVER

Like golfers working on their follow-through, successful trade show attendees are always trying to improve the quality of their after-show swing. Find out how you can successfully bring back to the office all the knowledge you gain while attending APRO's trade show.

BY PHILLIP M. PERRY

34 | THE HILL IS ALIVE WITH THE SOUND OF RTO

Passage of federal legislation supported by the rental-purchase industry has been a long and arduous process. Rental dealers not involved in the day-to-day battle may be surprised to find out just how HR 1701 might change the way they do business—and what proposals have been made by opponents that the legislative sponsors have managed to squelch.

BY ED WINN III

40 | POWER PLAYS

We are all familiar with office politics, but when it turns destructive it can be costly. Here are some tips on how to deal effectively with harmful office practices and how to use office politics in a positive manner.

BY PHILLIP M. PERRY

46 | MARKETING TO GROW

The key to getting more customers and making more money is not in quickie promotions, but in designing a program that is constantly building on itself. Several rental dealers share their thoughts and programs on how to build a successful marketing campaign.

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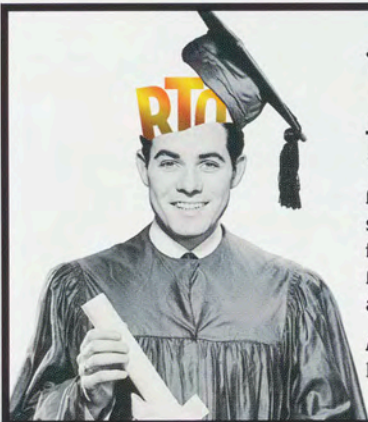
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Focus on the California Association of Progressive Rental Organizations



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ColorTyme, Inc. ranked in Success Magazine's top 200 Gold Franchises in America in 2000 and is a subsidiary of Rent-A-Center, Inc (Nasdaq: RCI). Check out our website at www.colortyme.com.

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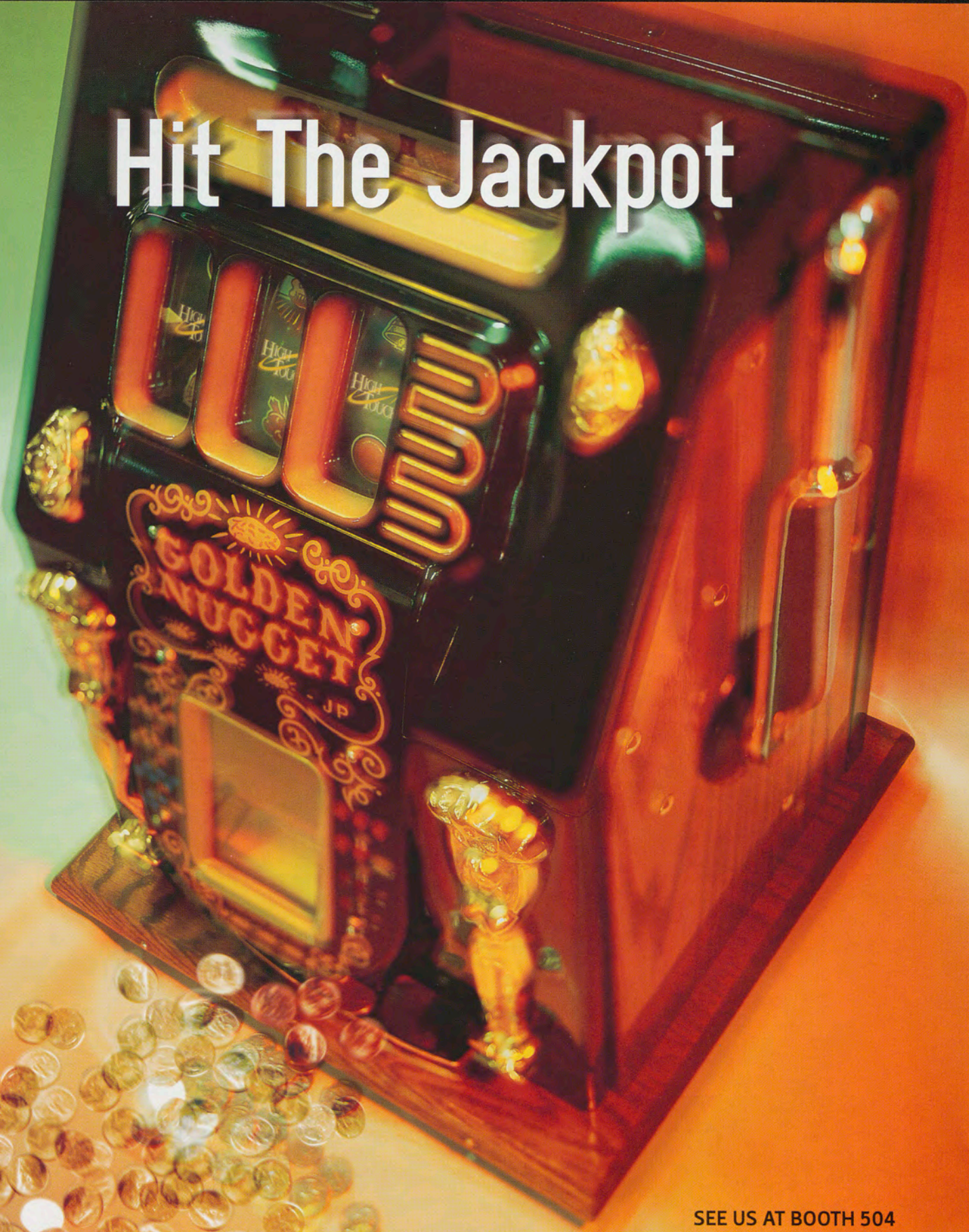
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TOM KITCHENS/JOE EASON GOLF TOURNAMENT

8 a.m., Monday, July 22



Nationwide Club Administrators, Inc.

State President's/Congressional Leadership Reception

3-4 p.m., Monday, July 22



Appliances

General Session and Business Meeting

10 a.m.-12 p.m., Tuesday, July 23



Complimentary Ice Cream in Exhibit Hall

1-3 p.m., Tuesday, July 23



Exhibit Hall Champagne Welcome

12 p.m., Tuesday, July 23



Gala Cocktail Reception: "Survivor Island"

6-9 p.m., Tuesday, July 23



Complimentary Ice Cream in Exhibit Hall

2-4 p.m., Wednesday, July 24



Seminar Refreshment Breaks

2 p.m., Thursday, July 25



Awards Reception

6-7 p.m., Thursday, July 25



Awards Dinner: "Las Vegas Lounge Legends"

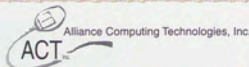
7-10 p.m., Thursday, July 25



Complimentary Relaxation Station



APRO Convention Daily Newsletters and Badge Neck Straps

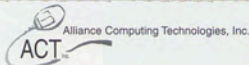


APRO Registration Computers

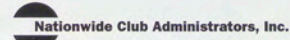


PHILIPS

APRO Registration Electronics

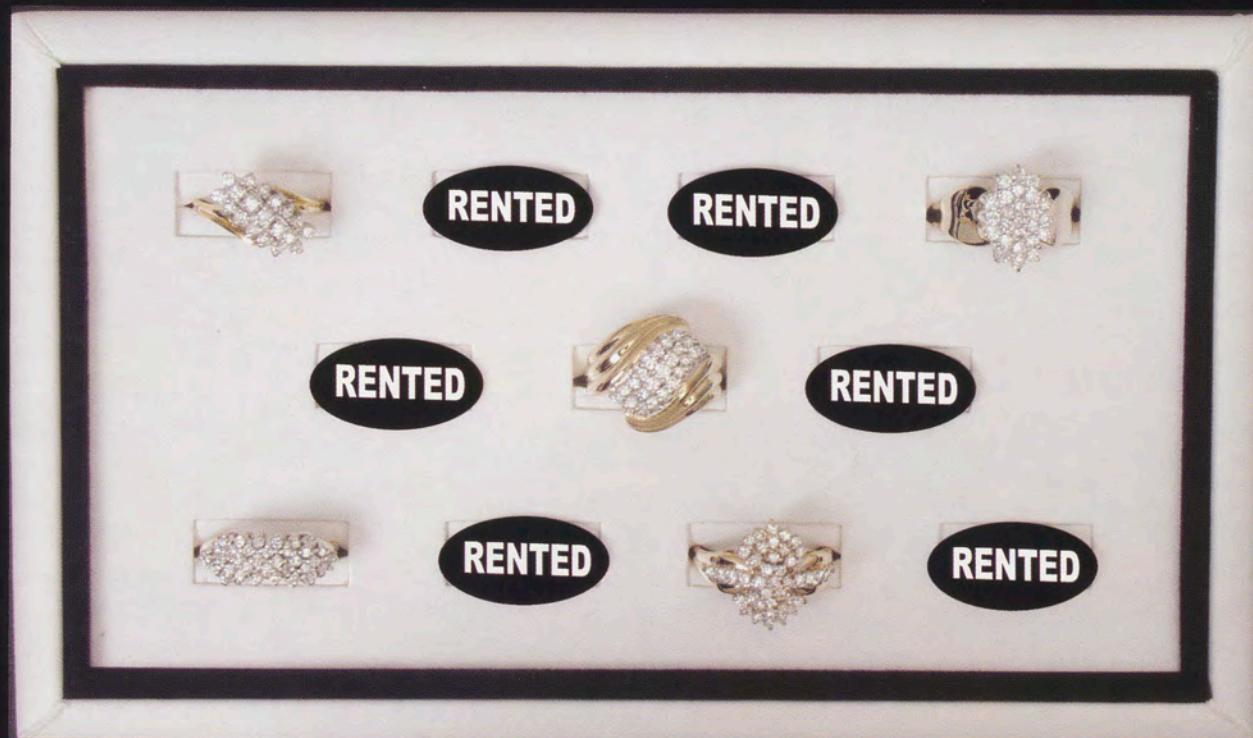


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news

BREAK

COMPILED BY
JULIE SHERRIER

Sixteen new co-sponsors picked up during APRO's Legislative Conference

Armed with 65 co-sponsors for the industry-supported federal bill, HR 1701, rental dealers drummed up an additional 16 co-sponsors during the annual Dave Egan Legislative Conference held in May.

Sixty-five rental dealers and other industry supporters joined forces and hit Capitol Hill with

a renewed sense of urgency as HR 1701 gains ground in vari-



ous committee hearings. The word was out that “those rent-to-own guys are here,” and many congressional staffers were prepared for the visits before APRO dealers arrived for their meetings simply due to the buzz around the halls.

“The attitude among attendees was extremely positive and energized this year,” says APRO’s Laurie Hill, who planned



Far left: APRO’s General Counsel Ed Winn III confers with Ed Stanko, Larry Carrico, Lyn Leach and Dan Cole. Left: APRO’s lobbyist, John Raffaelli, and Jimmy Strong head to meetings with congressmen. Top: While in Washington, APRO held a PAC event at the historic Woodrow Wilson house, the only presidential museum in the nation’s capital. Above (left to right): Maria Grey, Rex Grey, Kelly Sayre, Danny Wilbanks and Lyle Jones. [Photographs courtesy of Ernie Lewallen.]



NEWS BREAK

the event. "Many dealers are getting more involved than ever before."

As of this writing, the bill was rescheduled to be heard before the U.S. House Financial Services Committee on Thursday,

June 26, after being postponed on June 12. Check future issues of *Progressive Rentals* or on APRO's Web site at www.apro-rto.com for an update.

Rent Rite acquires stores; director elected to TRIB Group

Eighteen First American Rental stores in

Georgia have been added to the growing roster of Rent Rite Inc.'s rental-purchase chain. Rent Rite's acquisition of the stores in March brings the Rent-Rite store count to 73, making the four-year-old company one of the 10 largest rental-purchase chains in the nation.

"The addition of these stores give us significant presence in the booming Atlanta market and represents a major step in our East Coast growth strategy," says Rent Rite President Ed Stanko. Seventeen of the First American Rental stores are located in Atlanta and the other one is located in Augusta, GA.

Stanko says he has his eye on other regions in the United States as well. "The market is huge, growing and underserved and our simple, uncomplicated transaction gives us an effective competitive edge."

Rent Rite operates stores in Georgia, Florida, Maryland, Connecticut, Delaware, Massachusetts, Pennsylvania, Rhode Island and Virginia.

In other Rent Rite news, Tom Simon, director of purchasing for the company, was elected to The Rental Industry Buying Group board of directors. Simon is also serving as chairman of the TRIB Group furniture committee, where he

[CONTINUED ON PAGE 12]



APRO MEMBER SERVICE SPOTLIGHT

Specialty product, service and benefit programs

EDITOR'S NOTE: A recent APRO member survey revealed that many APRO members are not aware of the cost-saving member services available to APRO members. In coming issues, short profiles of each of APRO's member services will be featured to increase awareness.

Strategic Marketing Associates Inc. is the new sister company of Nationwide Club Administrator's Inc., the APRO-endorsed administrator for specialty product, service and benefit programs that generate additional fee income. In order to respond to the new opportunities in the industry, Strategic Marketing Associates Inc. has been created to source these unique product, service and benefit opportunities for rental dealers.

SMA will provide a "turnkey" product solution for the rental dealer that will address customer wants and needs and provide the dealer with new revenue opportunities. Proprietary products will be individually customized and automated.

The new SMA programs will be made up of modular product service and benefit components. Many of the benefits and services provided are available directly from the dealer's showroom. Other benefits and services—such as discount auto repair, pharmacy discounts, extended service programs, toll-free voice mail, provider access networks etc.—can be provided by the dealer through contracts with outside vendors that will be sourced by SMA.

Alan Stein, David Kaye and John Ihrig are SMA's consultants assigned to assisting the rental-purchase industry. Stein has been a member of APRO since 1984. He served on the vendor committee until 2000. Kaye has been with the company since 1988. Both Kaye and Stein are fully licensed property/casualty/life insurance agents and both hold the national designation of Certified Insurance Counselor. Ihrig is an independent sales agent representing NCA and SMA on a nationwide basis in the rent-to-own industry. Ihrig is also a licensed insurance agent in California.

To find out how to provide additional benefits to your customers and generate additional fee income for your company, contact John Ihrig, David Kaye or Alan Stein at 800/771-2582 for a free consultation.



Public RTO companies faring well in unstable economy

Rent-A-Center, RentWay and Rainbow Rentals all posted favorable quarterly reports recently, with each company reporting substantial gains and/or turnarounds.

Rent-A-Center, in an April news release, announced record revenues and record net earnings for its first quarter. A increase of 13.4 percent illustrated the company's better-than-expected same store sales growth of 7.7 percent and incremental revenues generated in new and acquired stores, as well as an increase in the amount of merchandise sales.

RAC Chairman and CEO Mark E. Speese attributes the increase to the "renewed focus on profitability and expense management while continuing to capitalize on the strong demand for our products and services..."

RentWay Chairman and CEO Bill Morgenstern is seeing a positive turnaround after the company's accounting debacle in October 2000, which resulted in a \$129 million adjustment to the company's books. In *Directions*, the RentWay newsletter, Morgenstern writes, "I believe Rent-

Way has turned the corner. We posted a small profit for the March quarter... Fiscal 2002 is already half over and we are making plans for 2003 and beyond. Our battle has changed from one of survival to one of getting back into the growth game."

And Rainbow Rentals, after going through a difficult transition period for more than a year, is "beginning to see evidence that Rainbow is turning the corner," says Chairman and CEO Wayland J. Russell.

"As we approach the midway point of our second quarter, it appears that the initiatives we've put in place to spark greater profitability are working," says Russell. "Over the past two years, we have expanded our middle management team, adding several new regional managers, as well as directors of human resources and real estate. This is an important part of building a growing company."

In affirmation of this positive turn, the company resumed its new store-opening program with five stores so far this year, including one in a new state, Delaware. Seven more stores are planning for 2002, with three of those in two new states for the company—Maryland and Georgia.

CALENDAR OF EVENTS

2002

JULY

19-22

San Francisco Furniture Mart,
415/552-2311, www.sfmart.com

22-25

APRO 2002 Convention and
Trade Show, Mandalay Bay,
Las Vegas, 800/204-2776,
www.apro-rto.com

AUGUST

15-18

Tupelo Furniture Market,
662/844-1473,
www.tupelomarket.com

25-29

Associated Volume Buyers Inc.
National Convention and Trade
Show, Paris Hotel, Las Vegas,
714/502-9620,
www.brandsource.com

SEPTEMBER

10-11

Missouri Rental Dealers
Association Annual Trade Show,
Osage Beach, 573/442-2963

23-24

TARA Seminar, Houston, TX,
940/497-1150,
www.taramembers.com

TBA

APRO Board Meeting,
Austin, TX, 800/204-2776

OCTOBER

17-24

High Point Furniture Market,
336/888-3700, www.ihfc.com

JANUARY 2003

9-12

CES Las Vegas, 703/907-7600,
www.cesweb.org

17-20

San Francisco Furniture Mart,
415/552-2311, www.sfmart.com

TBA

TARA Seminar and Board
Meeting, 940/497-1150,
www.taramembers.com

2002 RAE award winners announced

APRO's annual Rental Advertising Excellence awards recognize the creative approaches in advertising throughout the industry. There were 142 entries in this year's contest, which was judged by Matt Belew of GSD&M, a nationally recognized advertising agency. The winning entries will be on display in the exhibit hall during the APRO convention July 22-25 at Mandalay Bay in Las Vegas. The entries were divided into two categories—in-house and ad agency—and judged separately. And the 2002 RAE winners are:

In-house category winners

- Print materials—catalog/brochure, four pages or more**
- Gold Gary Ferriman, Showplace Lease/Purchase
 - Silver Wayland Russell, Rainbow Rentals
 - Bronze Wayland Russell, Rainbow Rentals
- Print materials—other (door hangers, coupons, contests, etc.)**
- Gold Gary Ferriman, Showplace Lease/Purchase
 - Silver Gary Ferriman, Showplace Lease/Purchase
 - Bronze Gary Ferriman, Showplace Lease/Purchase
- Order solicitation—direct mail pieces or campaign for direct response**
- Gold Gary Ferriman, Showplace Lease/Purchase
 - Silver Wayland Russell, Rainbow Rentals
 - Bronze Dick Grauel, Grauel Enterprises
- Radio—30-second spot**
- Bronze Dick Grauel, Grauel Enterprises
- Television—less than \$1,000 to produce**
- Silver Bob Fishman, Rentown LLC CT
- Specialty item—giveaway as a referral item, bonus gift with rentals**
- Bronze Wayland Russell, Rainbow Rentals
- Billboard/outdoor—any size**
- Silver Shannon Strunk, Baber's Inc.
- Creative campaign design—using print, TV and/or radio**
- Silver Gary Ferriman, Showplace Lease/Purchase

Ad agency category winners

- Print materials—brochure or free-standing insert—one page, front and back**
- Gold Marty Smith, Imagery
 - Silver Marty Smith, Imagery
 - Bronze Marty Smith, Imagery
- Print materials—catalog/brochure, four pages or more**
- Gold Marty Smith, Imagery
 - Silver Wayland Russell, Rainbow Rentals; ad agency: Dan Pecchia, Innis Maggiore
 - Bronze Marty Smith, Imagery (Imagery received two bronze awards in this category)
- Print materials—in-store point-of-rent (POR) signs, posters, banners**
- Gold Dick Grauel, Grauel Enterprises; ad agency: Marty Smith, Imagery
 - Silver Bill Morgenstern, RentWay Inc.; ad agency: Robert Clancey, Hitchcock, Fleming & Associates Inc.
 - Bronze Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
- Print materials—other (door hangers, coupons, contests, etc.)**
- Gold Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
 - Silver Shannon Strunk, Baber's Inc.; ad agency: Allison Buchanan, Buchanan Group
 - Bronze Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
- Order solicitation—direct mail pieces or campaign for direct response**
- Gold Martin Auble, Appliances & Furniture RentAll; ad agency: Tom Weirich, Central Fil
 - Silver Marty Smith, Imagery
 - Bronze Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
- Newspaper—black and white, half page or more**
- Bronze Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
- Newspaper—color, half page or more**
- Silver David Ingram, RTO Enterprises; ad agency: Stean Smith, LPI Communication Group
- Radio—30-second spot**
- Gold Bill Morgenstern, RentWay Inc.; ad agency: Robert Clancey, Hitchcock, Fleming & Associates Inc.
 - Silver Bill Morgenstern, RentWay Inc.; ad agency: Robert Clancey, Hitchcock, Fleming & Associates Inc.
 - Bronze Bill Morgenstern, RentWay Inc.; ad agency: Robert Clancey, Hitchcock, Fleming & Associates Inc.
- Radio—60-second spot**
- Gold Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
 - Silver Terry Mullins, Rarick's Rentals; ad agency: Greg Batt, Ad Design
 - Bronze Marty Smith, Imagery
- Television—less than \$1,000 to produce**
- Gold Marty Smith, Imagery
 - Silver Marty Smith, Imagery
 - Bronze Randy Johnson, Rentown; ad agency: Tammy Prout, Advertising Advantage
- Television—more than \$1,000 to produce**
- Gold Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
 - Silver Mark Speese, Rent-A-Center; ad agency: Lauraliisa Gudgeon, Brann Forbes
 - Bronze Wayland Russell, Rainbow Rentals; ad agency: Dan Pecchia, Innis Maggiore



Specialty item—giveaway as a referral item, bonus gift with rentals

Silver Shannon Strunk, Baber's Inc.;
ad agency: Allison Buchanan,
Buchanan Group

Bronze David Ingram, RTO Enterprises;
ad agency: Stean Smith, LPI
Communication Group

Creative campaign design—
using print, TV and/or radio

Gold Mark Speese, Rent-A-Center;
ad agency: Lauraliisa Gudgeon,
Brann Forbes

Silver Bill Morgenstern, RentWay Inc.;
ad agency: Robert Clancey,
Hitchcock, Fleming & Associates Inc.

Bronze Bill Morgenstern, RentWay Inc.;
ad agency: Robert Clancey,
Hitchcock, Fleming & Associates Inc.

Community relations program

Silver David P. David,
Full-O-Pep Appliances;
ad agency: Greg Batt, Ad Design Inc.

Bronze Mark Speese, Rent-A-Center;
ad agency: Lauraliisa Gudgeon,
Brann Forbes

Store display/layout—
spatial relationships, lighting, etc.

Silver David Ingram, RTO Enterprises;
ad agency: Stean Smith, LPI
Communication Group

On-hold advertising

Silver Mark Speese, Rent-A-Center;
ad agency: Lauraliisa Gudgeon,
Brann Forbes



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Want to know more about this exciting enhancement to the Club Perk program? Call Cliff Stoner at 1-800-733-0811, ext. 210 or drop by our booth (329/331) at the 2002 APRO Convention in Las Vegas.



You've seen what we can do for your customers, now take a look at what we can do for your employees!



NEWS BREAK

< CONTINUED FROM PAGE 8
has the responsibility of negotiating with approved

CORRECTION

The following company was inadvertently left off the "Who's Who in Electronics" listing that appeared in the May-June issue of *Progressive Rentals*:

Almo Corp.
Warren Chaiken
2709 Commerce Way
Philadelphia, PA 19154
215/698-4048
Fax 215/698-4095

vendors to attain the best available pricing and service programs in the furniture category.

Simon's career in rental-purchase industry began in 1993 as an electronics buyer for the 145-store Champion Rentals chain. He joined Rent Rite in 1998 and has served as the director of purchasing.

Buddy's Home Furnishings reels in \$2,550

Every year, employees of Buddy's Home Fur-



nishing stores, based in Tampa, FL, grab their rods and reels to bring in the "big one" and to raise funds for the APRO Political Action Committee.

More than 100 employees attended this year's deep-sea fishing trip, says Buddy's Joe Gazzo, which was held

May 19. Each attendee contributed \$25 toward APRO PAC and the company regularly picks up the tab for everyone.

APRO wishes to extend a big "thank you" to Buddy's for organizing this effort and to all the employees who gave their time and fishing expertise to the cause.

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Industry veteran Choate joins Georgia law firm

J. Samuel Choate Jr., a nationally recognized authority on consumer finance who represented the rental-purchase industry and helped draft some of the early state rental-purchase statutes, recently joined Fisher & Zucker, LLC, a commercial transactions and litigation law firm. Choate will serve as partner in the firm and will assist in

the opening of the firm's New Brunswick, GA, office.

Choate joins the law firm after having served for three years as general counsel and executive vice president of Check Into Cash Inc. Prior to joining Check Into Cash in 1998, Choate practiced law in Washington, D.C., and Alexandria, VA, representing the country's largest rent-to-own and payday loan companies in defending class action lawsuits, attorney general investigations and legislative activities.

KUDOS

Congratulations to the Indiana Rental-Purchase Dealers Association for helping to raise \$15,000 in the Children's Miracle Network telethon on June 1, 2002.

Habitat for Humanity cofounder dines with Rent One

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Fuller, co-founder of Habitat for Humanity International, in a recent article published in *The Reporter* newsletter published by Rent One.

Fuller made a special trip to attend the Jefferson County Habitat for Humanity annual dinner, held April 6 in Mt. Vernon, IL, home-base of Rent One.

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NEWS BREAK

addressed the crowd. In addition to Fuller, Michelle Venturi of the Jefferson County Habitat for Humanity chapter spoke, followed by Larry Carrico and Robin Thouvenin of Rent One, who talked about their company's involvement as well as APRO's participation in the program.

During the dinner, special recognition was given to Rent One and APRO for previous and continuing support of Habitat for Humanity. Carrico presented additional funds to assist the Habitat cause with a \$2,500 check from Rent One and a \$2,500 check from APRO.

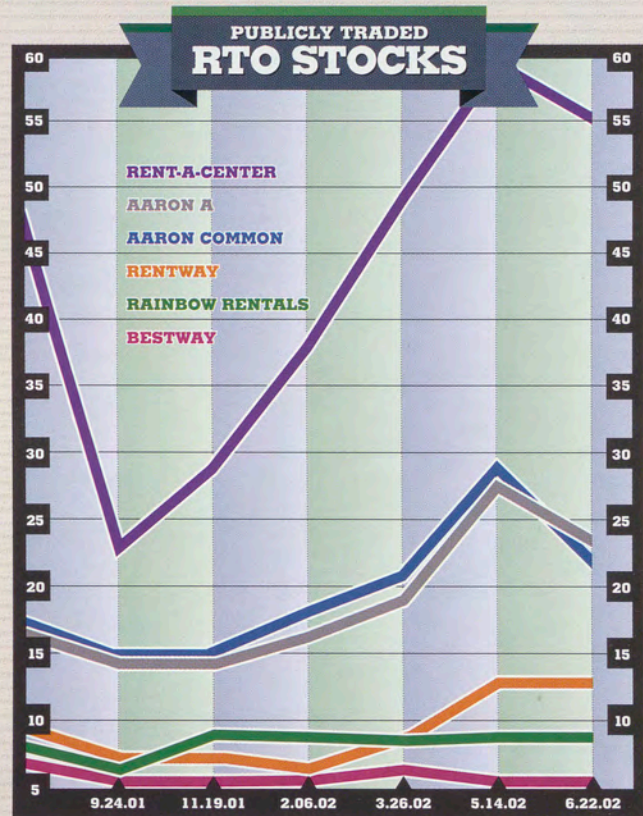
Rent-A-Center hires new director

Mary Elizabeth ("Betsy") Burton, the owner, chairman and CEO of BB Capital Inc., a private investment and consulting firm, was appointed to the board of directors for Rent-A-Center on May 31.

Burton has served as CEO of Supercuts Inc., PIP Printing Inc. and Cosmetic Center Inc., as well as serving in various other senior executive level capacities in the retail sector. Burton also serves on the board of directors of Staples Inc., The Sports Authority Inc. and Aeropostale Inc. "Betsy Burton's...

breadth and depth of knowledge in retailing and consumer services is extensive and her perspective should prove to be invaluable to the company," says RAC Chairman and CEO Mark E. Speese.

"The Rent-A-Center management team has established the premier name in the company's market niche," says Burton. "I am pleased to become part of an organization experiencing such clear, positive momentum under the leadership of Mark Speese."



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What a long and winding road I have traveled over the past three years while serving you all as APRO president. As I write this, I am in Washington, D.C., for the full committee hearing on HR 1701. Amendments to the industry-supported federal bill are either being passed or voted down and there is an air of excitement in these halls. This is my seventh trip to our nation's Capitol this year representing the rental-purchase industry before Congress. Today the full committee voted to pass the bill by a 3-to-1 margin. HR 1701 now moves

week, my wife, Mary, and I were guests of the Congressional Black Caucus Spouses' Foundation annual college scholarship fundraising event. Our industry raised approximately \$25,000 from products we donated for the auction. Without the assistance of Tonya Saunders of The Washington Group, APRO would not have even gotten in the door with this privileged group of folks. Tonya received the Most

.....
 "It has been my intention during my tenure to put the pieces into place to create an environment in which this industry can grow unheeded."

Valuable Player award from the Congressional Black Caucus Spouses' Foundation during their annual dinner.

I cannot fade into the sunset without acknowledging the APRO staff. Bill Keese, Ron Waters, Richard May, Carolyn May, Shelley Martinek, Cindy Ferguson, Julie Sherrier, Neil Ferguson, Laurie Hill, Faye Rougeau and Tulisha Carson all deserve a heartfelt thank you for their hard work keeping me in line.

The level of professionalism among the APRO staff and its membership is something I have been proud to be a part of and to witness. The APRO board members are some of the most inspiring and hard-working group of people I have ever come across. Their concern and involvement in the industry is something no one in this business should take for granted. They are often the unsung heroes whose dedication is preserving our future. The friendships I have developed are among the finest I have developed over my life. I will carry you all with me forever.

I also want to thank my wife, Mary, for all of her support and involvement in APRO and its industry endeavors. She has been a tireless activist, campaigner and companion. What I always say is that APRO got lucky in that the membership got two leaders for the price of one. Thank you, Mary, for all that you have done.

It's a long way to the finish line. It took a hell of a long time to get where we are now. It's been a horse race. An exciting race. Let's get to the finish line. ■

Gary McDougal is owner of American Rentals in Hixson, TN.

Crossing the finish line

to the House floor. I hope that by the time you read this, the bill will have passed the House of Representatives.

I will not be seeking re-election for the 2002-03 year. It is time to step aside and open the door for new leadership. This does not mean that I will fade into the woodwork. I fully intend to keep my hands and heart involved in the ongoing business of this dynamic association.

It has been my intention during my tenure as APRO president to put the pieces into place to create an environment in which this industry can grow unheeded. I can safely say that the business of RTO has grown in leaps and bounds—economically, politically and professionally—in the past decade. I look forward to seeing our hard work rewarded with federal legislation. I want to thank all the rental dealers who have given of their time, money and involvement to fight for the future viability of this business. And this is not a time to rest on our laurels. Political action and involvement is key to getting and keeping our interests in the forefront of the minds of our elected representatives. Keep making those calls to your senators.

Let's keep the movement going forward.

There is a long list of people I would like to thank for their assistance and friendship over the past three years. A list that is probably too long for this column. While in Washington, D.C., this



By **GARY McDOUGAL**
 APRO's President

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Q: How can my store take advantage of the new post-911 depreciation rules?

A:) Progressive Rentals Magazine 3/13/02 — RE: Section 101 of H.R. 3090

"It appears like the new law the President has just signed will save rental dealers some money on their taxes over the next several years...in many cases it will allow dealers to depreciate property purchased for rental and other personal property used in business more quickly, resulting in lower tax liability..."

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Many, many moons ago, when I was serving as a representative for the Texas State Legislature, I was rudely awakened at almost 11 p.m. on a Sunday night. I was about to go to bed. The house was quiet as my infant daughter was finally asleep. Then the phone rang. I rushed to answer the call before the startling noise awoke my child. Too late. Her cries echoed throughout the house more loudly than the phone ringer did.

The voice on the other end was business-like, as though it was a Tuesday morning and he was

protect the rights of individuals while establishing an equitable set of ground rules upon which our business can operate.

While some take the view that the government shouldn't regulate businesses at all, history has shown us that if we leave businesses and consumers

to flap in wind of a free market, the greed factor not only takes over, but also can eliminate fair market practices.

I for one am proud of the rental-purchase industry for taking the middle ground in its endeavor to achieve passage of federal legislation (HR 1701). Our leaders have been seeking a moderate approach that is both responsible and achievable. I want to thank everyone involved for their cooperation and for exhibiting a truly united voice before the powers that be.

Now only if Congress will listen. ■

Bill Keese's e-mail address is bkeese@apro-rto.com.

.....
"History has shown us that if we leave businesses and consumers to flap in the wind of a free market, the greed factor not only takes over, but also can eliminate fair market practices."

The role of government

addressing a meeting of corporate executives. He was a constituent of mine with an urgent problem that needed immediate action. He was in the gravel business and the City of Sealy, TX, was interfering with his ability to maximize his profits. Every time one of his gravel trucks rumbled through the center of town, the local police ticketed the driver for exceeding the load capacity allowed by local ordinances. This man was overloading his trucks and the city was fining him for it.

He told me that in order for him to continue doing business, I needed to drum up some state funds in order to construct a more convenient entrance onto Interstate 10 so he wouldn't have to take his overloaded trucks through Sealy. I was dumbfounded! This businessman's greed had disrupted my evening, awakened my daughter and insulted me. I told him I didn't appreciate his call and was outraged at his request. He wanted his legislator to request public money to solve his problem because he was violating city ordinances. I will let you use your imagination on how I answered him.

Our government was never meant to be used as an agent for private greed, although I am sure there are many who would disagree with me on that these days.

In contrast to this example, our industry is soliciting the aid of Congress in a manner in which I believe is the proper role of government—to



By BILL KEESE
APRO's Executive Director

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The industry is embroiled in political intrigue at the highest levels during these closing weeks of the 107th Congress. Industry opponents are feeling the heat and are using all of the political tools and strategies that they possess primarily to stall and finally kill off the Jones-Maloney bill that the industry supports. Public votes have been canceled on the spur of the moment at the urging of anti-industry supporters. Agendas have been altered. Tensions mount on both sides of the issue as the window for action on the bill narrows inexorably.

What is remarkable through all of the political

maintaining united is extremely important because in these late stages of political negotiations, if a rift can be found, opponents will use it to extract additional, problematic concessions or use it as an excuse not to move forward with the bill.

It is a tribute to the industry's leadership that, despite honest differences of opinion held by rental dealers on some issues that are vital to how the business will be run over the next decade or two, in public the

"It is a tribute to the industry's leadership that, despite honest differences of opinion, in public, the industry has maintained a resolute position of cohesiveness against all efforts to divide and conquer."

A remarkable show of unity

intrigue is the degree of unity shown by the industry despite the best and continuing efforts to find a crack among competitors and exploit them. An obvious fault line is between the big companies and the little companies. Opponents reason that the big companies want a federal bill more than the little companies and, therefore, will give up more to get one.

Another plausible rift is geographic. Rental dealers in California or West Virginia or Maine are already hobbled to some extent with state imposed price controls and ought to be willing to give into federal price controls more readily than dealers in other states.

Another potential rift is between dealers in the "hot spot" states—e.g. Minnesota, Wisconsin and



By ED WINN III
APRO's General Counsel

New Jersey and dealers elsewhere. Dealers under direct and continuing attack in their states ought to be willing to accede to many more consumer demands than dealers in states at peace.

To some extent, the industry must endure the constant and annoying probing by opponents into these potential rifts not unlike a patient waiting open-mouthed for the dentist to find a new cavity with his pick. It is suspenseful and every new probe threatens excruciating bad news and pain.

Remarkably, however, the industry has remained united against all interference so far. Re-

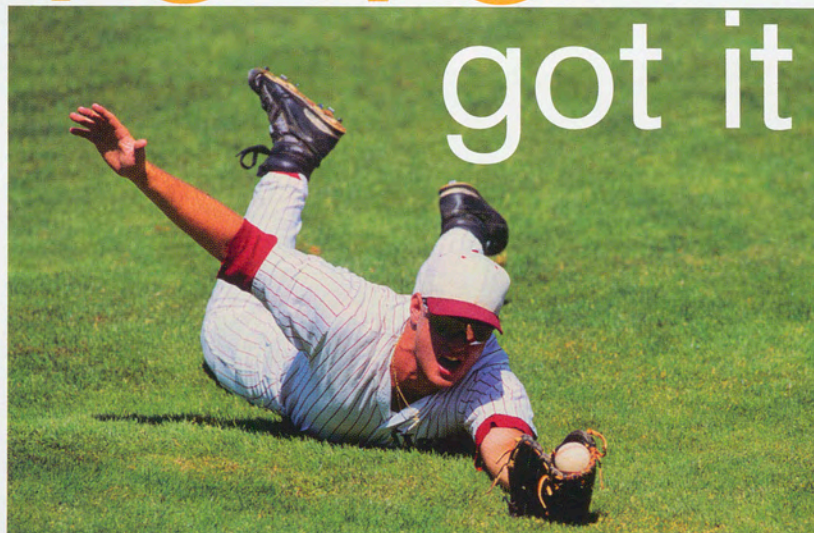
industry has maintained a resolute position of cohesiveness against all efforts to divide and conquer. This is a strategy over which consumer advocates, often outspent and outlobbied, have shown masterful expertise over the years against other more powerful industry groups.

Maintaining unity has not been easy; it may get testier still over the next several months. But it is an important game that is being played and everyone on the industry's side knows that it will not be won without the tight teamwork and deft maneuvering that the industry has exhibited with such precision so far. ■

Ed Winn's e-mail address is edwinn@e-bylaw.com.

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Where do you go to find good people to make up your labor force? Do you look inside the industry for already-trained people or do you look outside the industry for fresh, motivated people who have no experience in this business? There are no cut-and-dried answers to this question. You will find arguments for either side, but let me share with you my learning experience in relation to this question.

In 1980, I was working at a Datsun (Nissan) dealership in Kissimmee, FL, as a sales representative—aka “transportation specialist.” I had worked

Should you recruit?

there for about seven months when the owner of the dealership came to me and asked if I would like to take on the sales manager position. At that particular time in my life, I was making more money than I ever had before. Here was an opportunity for me to move into a position to make even more money. All I had to do was to make sure I had enough good people in place to move the number of cars each month that it would take in order for my earnings to continue to climb. I knew what I had to do. I would talk to other salesmen at the other dealerships, hire them to come work for me and then life would be good. My plan was in place and my future looked bright.

One day, a week or so into my newly accepted position, the owner of the dealership came to me and told me a new policy was in place not to hire people away from other dealerships. He had found that people who bounced from dealership to dealership did not get the customer loyalty, the referral business, nor would they do a good follow-up with the customers. I wasn't so sure at the time that I was willing to accept what he was saying. Needless to say, my plans went on hold and my future had a somewhat dimmer picture.

Not to be defeated, I rolled up my sleeves and started looking outside of the car dealership business for salesmen. It was a task that I would later come to appreciate and understand. Over time

with hard work and lots of training, I managed to get the right people into place and what the owner had said to me started to

make a lot of sense. I brought in new people with no experience in the auto business (and, therefore, no baggage) and trained them the way I wanted. I found that they did become better at customer service, better at demonstrating the cars, better at following up on customers and within a few months they were getting referrals from the customer base they had been building. This is something that would have normally taken years to do.

The rental business is not any different. Remember, before you go out and try to recruit people from other rental dealers, most will bring their problems with them. If they are suffering from burnout at one company, hiring them to work for your company will only prolong that problem. They will bring their baggage with them and in most cases you are the one left with trying to figure out what went wrong with this wonderful prize you took from the other company.

So, where do you find good people? Promoting from within the company or hiring people with other business experience has worked well for Full-O-Pep, dba American Rental. We found that when the atmosphere of a company is such that employees are assured of growth and promotion from within that company, their loyalty remains strong. This is reflected by the longevity of the Full-O-Pep work force.

Once you make the decision to promote from within or hire a new employee, take the time to train, train, train, by using all the tools available to you. APRO's online training has a great program available to introduce new or old employees to the industry. It shows people how exciting and rewarding this business can be as well as taking them through the steps for rentals, service, deliveries, etc.

Someone once asked me, “What if you spend all this money to train someone and then they leave?” My comment was, “What if I don't and they stay?” ■

David P. David is vice president/general manager of Full-O-Pep Appliances Inc., based in Bloomington, IN.

.....
“Remember, before you go out and try to recruit people from other rental dealers, most will bring their problems with them.”



By DAVID P. DAVID



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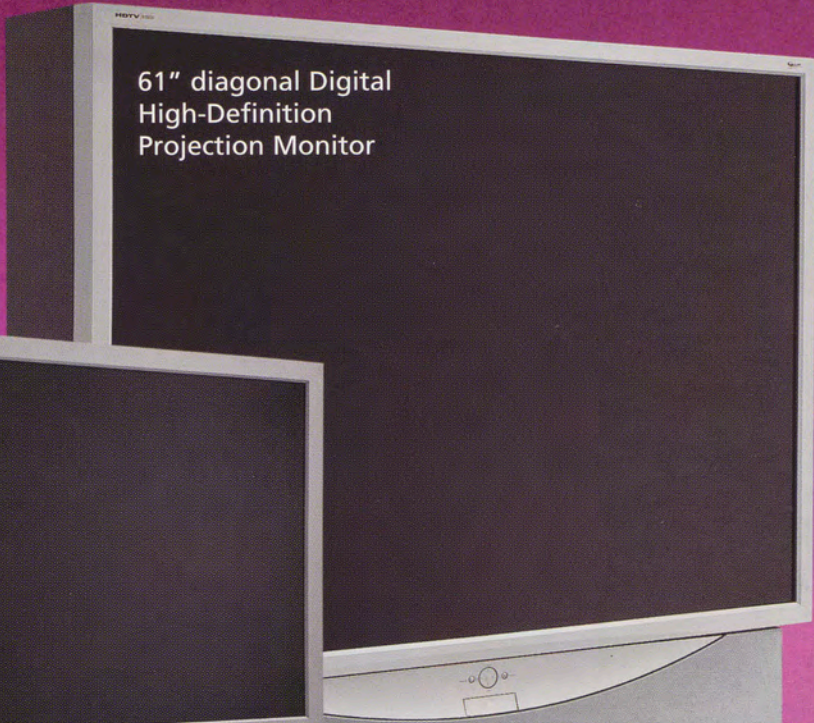
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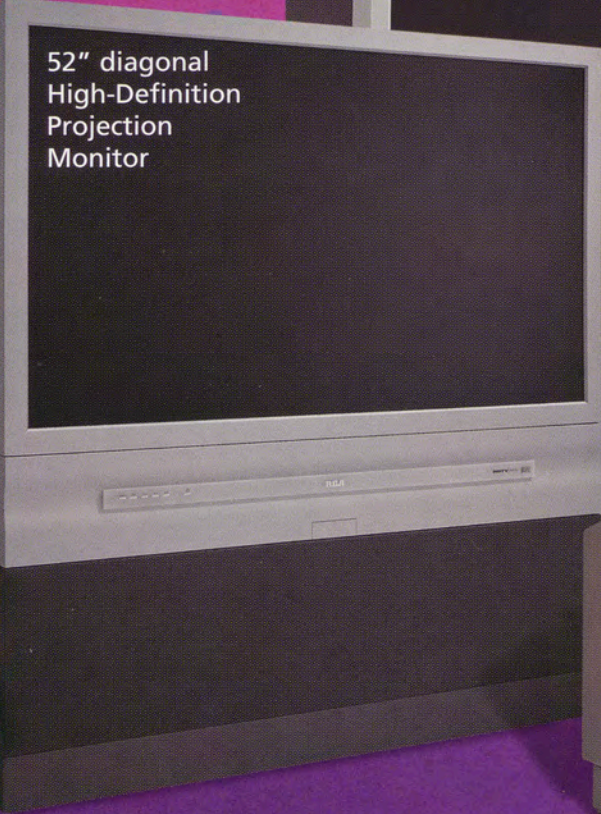
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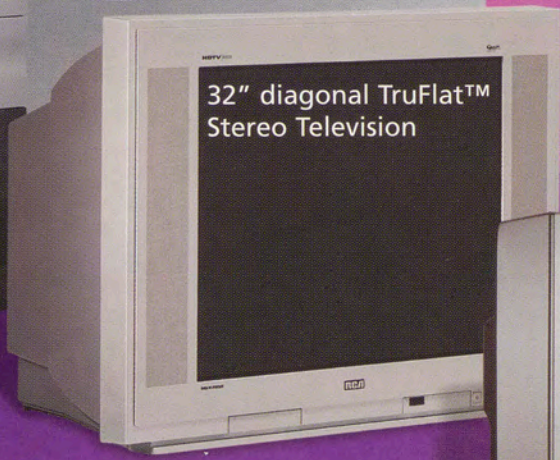
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It ain't when

**When the APRO 2002 Convention and Trade Show ends
Phillip M. Perry offers some smar**

over it's over



Trade shows are great for discovering new products and making new contacts. All too often, though, business people return to mountains of backed-up work. Faced with the challenge of catching up on workaday tasks, they soon forget their good intentions to follow up with vendors, cultivate personal networks and capitalize on industry trends revealed at the show. It shouldn't be that way.

Your benefits for attending are just beginning.
Follow-through ideas for the post-Show conventioneer

“What you really go to a trade show for is for what takes place after the event is over,” says Francis J. Friedman, a trade show specialist and president of the New York City-based consulting firm, Time & Place Strategies. Like golfers working on their follow-through, successful trade show attendees are always trying to improve the quality of their after-show swing. That means sharing knowledge with staffs, placing follow-up calls with the right exhibitors and organizing business cards and notes so they don’t end up on a shelf collecting dust.

But is attending a show worth the effort in the first place, when so many products can be seen in full-color catalogs? Most people say yes. “Show time is very well spent,” says Joe Murtagh, president of The Source in Goshen, N.Y. “Where else can you have such concentrated exposure to such a vast

benefit from the trade show information, be it educational information from seminars, industry insights from business peers met in the aisles or new product descriptions from the booths. This communication may be delivered via memo, meeting or internal e-mail. The key is to disburse the information

Staff feedback can also help adjust order levels up or down or time the placement of additional orders over the following months. This is especially helpful with new lines from young companies that may not produce enough inventory to satisfy unforeseen orders down the line. Absent sufficient advance orders, supplies can evaporate just as customers are clamoring for more.

Once orders are set and delivery dates slated, assign duties to the various members of your team. What needs to happen before the goods arrive? Who needs to do what in terms of promotion and space planning? Where will you position the new goods and how can you clear space?

Good post-show follow-through depends to a great extent on advance planning. If more than one person from your business will be attending the show, assign different duties to each. Personal beats might include new products, industry trends and materi-

“Some learn by hearing, some by seeing, some by experiencing. Each person attending the show will describe what he or she saw in different ways to everyone back home. Encourage this and you will have one heck of a team.”

array of information that is very well organized and presented? There’s nothing like being able to see the quality of goods and hold or touch them with your hand.”

Given the benefits of trade shows, it’s clear that everyone will be attending more of them. Here are some techniques, then, for capitalizing on what’s learned at the show after you return home:

Share the wealth

If one piece of new information from a show can help you make more profit, imagine the results if your whole staff could use the same knowledge when dealing with customers. Make sure everyone has an opportunity to

formally so that it is taken seriously.

Don’t forget communication is a two-way street. Encourage your personnel to share insights that may enhance or alter your view of what happened at the show. This is particularly important when making decisions to take on a new line of goods or services.

“Your staff may know of products that are a better fit and should be compared and investigated,” says Richard J. Brunkan, a partner at Humber, Mundie and McClary, a group of psychological consultants in Milwaukee. “You may discover that you were being overwhelmed by an enthusiastic sales person. People who work with customers can help you decide what’s there in terms of solid stuff.”

als needed for a new department.

To encourage great work, make sure each attendee realizes that a report will be expected back home. “People engage in a very different level of note taking when they realize they will be held responsible for teaching others,” says Pittsburgh consultant Mina Bancroft. “They realize they will really need to understand a subject.”

Finally, assign a high priority to the meeting in which knowledge is shared. “Prior to attending the show, schedule the follow-up meeting on your calendar so it doesn’t slip between the cracks later,” says Bancroft.

Draw upon each person’s abilities when conveying information to your staff. “Because each person has unique

strengths, each communicates in a different way and sees a trade show with a personal perspective," says Donna Messer, a trade show consultant and president of ConnectUs Communications, a consultancy in Oakville, ON.

"Some learn by hearing, some by seeing, some by experiencing. Each person attending the show will describe what he or she saw in different ways to everyone back home. Encourage this and you will have one heck of a team."

And what about those great seminars? Wouldn't your whole staff benefit from the knowledge gained? Sometimes seminars have training materials you can distribute to your staff, saving you the effort of putting together a report. If that's not the case, jot down the key points from the seminar and present a short but informative report to your key personnel. Alternatively, ask permission to record the seminar and have the tape transcribed for your staff.

Speaking of communicating news to your staff: What can you do with all those notes you scribbled as you walk the aisles? In the rush of business they can fall through the cracks. Too often they end up collecting dust on a shelf or disappearing into your file cabinet. Develop a plan to efficiently process those notes. Go to the show with this plan in place and you will be able to maximize the profitability of your notes when you return to your business. Rather than enter all of your notes on a running series of pages, try dividing a notebook into sections by topics such as new products, personnel changes, industry trends and government regulations. Once back at your place of business, process the notes by removing the pages from your notebook and inserting them into a vertical hanging file organized by topic.

In another approach, some attendees walk the trade shows with tape recorders, making continual short comments that are later transcribed by someone back home. Here's a related idea: While walking the trade show aisles, very often you will see displays of materials you want others in your company to be aware of. Request permission to take photos (some shows do not permit the practice) then distribute the pictures to everyone.

Follow through with vendors

Exhibitors can be as forgetful as buyers when the trade show glitter has faded. If they move on to other things and fail to send promised information, everyone loses. Smart business owners will mark their calendars with ticklers to remind laggard vendors.

There are three benefits of prompt follow through with vendors. First is the reduced risk of misunderstanding. Your memory of what an exhibitor said may differ from that of the vendor's and the latter may forget a deal that was not put in writing because of the rush of people at the show. So call and nail down your agreements. Second, calling can confirm schedules for on-site visits by vendor reps. Finally, you can avoid the disappointment that can arise when you wait too long to place orders. Many manufacturers are trimming production in response to a softening economy, so late buyers may have to stand in line behind early birds or even be left out of the pipeline entirely.

Vendors will offer you a plethora of brochures and catalogs as you walk the

aisles. When you return home, a stack of accumulated brochures can seem so overwhelming that you avoid looking at them for months. Ask vendors to mail catalogs and brochures to you and assign a staff member to file them in an accessible way. You might want to sort the catalogs alphabetically by company, then create a Rolodex or computer database that references the company names by product or service for rapid access months later.

Trade show buyer's guides can also fill a need long after they have served their original function as trail blazers to booth locations. "The buyer's guide is a wonderful resource with great shelf life," says Lori Kurschner, vice president of marketing for the Dallas Market Center. "It can be referenced for contact information throughout the year."

And in yet another post-show resource, Kurschner points out that many venues now host Web sites with "market planning tools" that can help track the elusive supplier in the months after a show. Because many such sites are searchable electronically, buyers can quickly find sources of sup-

Who's minding the store?

When you go to trade shows, who minds the store? While you ferret out new products and spot vital trends, someone has to deal with customer inquiries, handle deliveries and tackle the unforeseen crises that seem to crop up daily. Successful business owners plant the seeds for success by training their personnel throughout the year. That means cultivating a staff that makes a personal investment in your success. Here are some capsule tips for helping things go smoothly:

- Post your cell phone number and emergency numbers for plumber, electrician and other key people.
- Provide the name of your banker with a phone number for financial crises.
- Call daily before opening hours to get a report on the previous day.
- Inform the staff of expected deliveries.

It also helps to maintain a call list of individuals who are able to work temporarily in the event of an unexpected illness.

ply for specific lines.

Finally, how about all those business cards collected during the show? Too often they remain wrapped in their rubber band cocoons, never to be looked at again. Try categorizing business cards on a scale of one through four, with "one" being the most important to contact. Back home, make sure you call the "one" cards first.

"I advocate writing relevant information on the back of the cards rather than on a separate paper," says Brunkan. "That avoids having to match things up at the office. On each card, note what was interesting about the product and what needs follow up."

If it all sounds like smart networking, that's because it is. Trade show experts

encourage such relationship building. "When an attendee actually follows through with vendors met at a show, a light goes on with suppliers," says Messer. "They say 'this is one I want to keep.' You have brought to the attention of exhibitors that you are different."

The results can be beneficial. "Down the road, you may be called for a testimonial or you may be offered something to try out because you have been responsive," says Messer. And, of course, you will be the first to know of any buying opportunities.

The squeaky wheel rolls farther down the road to success. "If you are lazy and don't follow up, you will be treated the same way," says Friedman. If you establish a dialog on the other

hand, you become a partner for mutual profit rather than just another name on a customer list. "We are in an era of relationship building, but the hard part is that we are hiding behind our e-mail and phone systems."

Inform your customers

We've covered co-workers and vendors. Who but the customer is the ultimate reason for all of this trade show commotion? One way or another, customers need to be informed about what you have seen at the show. For your most important customers, a personal call is not out of the question.

While one-on-one calls are great, it may be impossible to get in touch with everyone in a timely manner. That's where some creative communication comes in. Either a special mailing or a section of your regular newsletter can be devoted to a report on what you learned at the trade show.

As the comments in this article suggest, getting the biggest bang for your buck invested in attending a trade show depends on how you sweep up after the dust has settled and the glitter has faded. "When you get back to your place of work, the important thing is to have a plan in place that prioritizes the information you've obtained," says Bancroft. "I suggest that you start processing the information while you are still at the show and especially as you travel back home. Ask yourself, 'what is the top thing I have learned and what will I do with it?'" To tackle the big pile of new information efficiently, break it into manageable pieces. "If you end up with information overload, you will not be able to process any of it," says Bancroft.

The more you keep your goals in mind, the more successful you will be as a trade show participant. Cultivate the employee, the exhibitor and the customer whom, as a group, form a "three-legged stool" of post-show success. If you take careful aim at your target and follow through with a good after-show swing, you'll land a business owner's favorite "hole-in-one": more profit on your bottom line. ■

Philip M. Perry is a free-lance business writer based in New York City.

No business like show business

Maybe you can't forecast the future, but you can set the stage for your success by spotting important trends. "An entire industry comes together for a trade show," says Francis J. Friedman, a trade show specialist and president of the New York City-based consulting firm, Time & Place Strategies. "Even a regional show is a slice of the industry. If you are aware of that you can become more knowledgeable about industry trends and get an insight of what's ahead for your market." Friedman suggests doing these things:

- **CONVERSE WITH BOOTH STAFFERS.** Don't just stop by and say "hi." Watch for slow periods and introduce yourself for a chat. "Remember they talk with everyone," says Friedman. "You'll be surprised what you hear."
- **ESTABLISH NETWORKS WITH PEERS.** Build a community of like-minded, non-competing business owners in various towns, then follow up with them regularly through the year. Include people in other industries, because trends tend to migrate.
- **BENCHMARK.** Are you up to speed or ahead of the curve in management practices and equipment? Keep asking this question as you attend seminars and visit exhibitors.
- **MEET THE PRESS.** Few attendees think of interviewing business editors who are at the show, but Friedman highly recommends it. "If you can meet with an editor, spend a moment finding out what that person sees as the key trends in your business."

Concludes Friedman, "Curiosity should be something you bring to the show. Take full advantage of this information-rich environment."

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The background of the image is a photograph of the interior of a grand, domed building, likely a legislative chamber. The architecture is highly ornate, featuring a series of arched windows with decorative tracery, supported by a row of balustrades. The walls and ceiling are covered in intricate golden carvings and moldings. The lighting is warm and golden, highlighting the architectural details. Overlaid on this background is the title 'The Hill' in a large, white, cursive script font. The word 'The' is smaller and positioned above the 'H'. The 'H' is the largest character, with a long, sweeping tail that extends across the middle of the image. The 'i' and 'l' are also large and elegant, with the 'l' having a long, thin tail that reaches towards the right edge of the frame.

The Hill

What's really in HR 1701—
and why you should care
By Ed Winn III

is alive

WITH THE SOUND OF RTO

Industry-supported federal legislation has gained momentum in this Congress. Previous efforts had moved lethargically. This time around, however, there is considerable interest from friend and foe alike over HR 1701. Part of this interest stems from changes made to the bill prior to its reintroduction in this Congress and other changes by the House Subcommittee on Consumer Affairs, which held hearings on the bill last summer. Yet still more changes are being considered by the full House Committee on Financial Services this summer.

It would behoove every rental dealer to know just what HR 1701 does and does not do and what the changes are that have already been made to the bill and what the changes are that have been proposed. While the prospects for passage of the bill before the Congress adjourns in the fall cannot be predicted, responsible rental dealers need to be conversant with what is in the bill to measure how its passage may affect business practices, because some of the provisions will do just that.

An overview of the federal effort

The industry's efforts to enact federal legislation began as an attempt to enact bona fide consumer protection legislation while giving the industry protection from re-characterization (lease vs. sale) by Congress. Every version of an industry-supported bill has offered an advertising and contract disclosure scheme not unlike the state rental-purchase statutes that have been enacted around the country over the past 18 years.

The bills all offered a floor of consumer protections and specifically allowed the states to add more consumer protections as they might see fit. What these bills offered the industry was a definition of rental-purchase transactions as leases in federal consumer protection law (such a definition already exists in the Internal Revenue Code) and protection against any state attempting to regulate

Rental dealers must also clarify that damage waiver or leased property insurance coverage is optional.

The FTC also noted that few state rental-purchase statutes require that this amount be disclosed on price tags in the store or in advertising. The FTC reasoned that the sooner consumers have this information, the better able they would be to compare costs in the marketplace and make an informed decision about entering into a rental-purchase transaction. By the time a consumer is shown this information in a printed rental-purchase agreement ready for signing, it is often too late to shop around. To speak to this issue, HR 1701 requires that this "Rental-Purchase Cost" disclosure appear on price tags in the store and in certain advertising when rental rates are advertised.

Other changes from the older version of the bill to the current one include some new disclosures in the rental-purchase agreement, including a "Cost of Rental Services" disclosure, which is the difference between the total "Rental-Purchase Cost" and the cash price of the merchandise. This is a disclosure that is currently required in only a few states. Finally, the new bill would require the following statement to appear in boldface and in capital letters on each agreement: YOU ARE RENTING THE PROPERTY. TO ACQUIRE OWNERSHIP OF THE PROPERTY YOU MUST MAKE ALL PAYMENTS NECESSARY TO ACQUIRE OWNERSHIP.

HR 1634, in the previous Congress, vested enforcement authority in the Federal Reserve Board. HR 1701 gives the FRB the authority to

draft model forms for use by rental dealers, but gives the FTC the authority to enforce the Act, since the FTC is the primary federal agency in charge of consumer protection matters generally and, in particular, unfair and deceptive acts and practices.

The old bill required a disclosure that the consumer may be liable for the fair market value of the rental property if it is lost, stolen, damaged or destroyed. The FTC was critical of this kind of provision. To address this, the new bill provides that a consumer may be held liable only for the lesser of the fair market value, the remaining rent, the early-purchase option amount or the cost of repair if the property is lost, stolen, damaged or destroyed.

These and a few other changes made HR 1701 more genuinely pro-consumer and allowed industry supporters to make that case persuasively to some new Democratic allies. HR 1701 is, in fact, co-sponsored by a Democrat and has a healthy mix of Democratic supporters among the 81 co-sponsors on the bill.

Changes in the subcommittee

The bipartisan nature of HR 1701 was evident during the subcommittee process last summer and fall, particularly during the subcommittee meetings when mem-

Unless

RENTAL DEALERS ARE DELIBERATELY TRYING TO OBSCURE INFORMATION IN THEIR AGREEMENTS OR IN THEIR ADVERTISING, THIS NEW LANGUAGE SHOULD NOT REQUIRE A CHANGE IN CURRENT DISCLOSURE PRACTICES.

the transaction as a credit transaction or requiring the disclosure of an annual percentage or other interest rate disclosure.

Despite the changes discussed below, the twin core provisions of the current bill, HR 1701, remain—a floor for contract and advertising disclosures and other consumer rights in rental-purchase transactions and a definition of the transaction as a lease for consumer protection purposes.

Changes from HR 1634 to HR 1701

In the 2000 Federal Trade Commission Survey of Rent-To-Own Customers, the FTC staff made several recommendations concerning consumer disclosures and how and when they should be made for maximum effect.

The FTC recommended that consumers be given the total cost of rental-purchase as early as possible in the transaction. Most state rental-purchase statutes only require that rental dealers disclose the total of the payments, which is the rental rate multiplied by the number of payments necessary for ownership. The FTC recommended that the total include all mandatory fees and charges. Accordingly, HR 1701 added a new disclosure labeled "Rental-Purchase Cost," which includes the total of rental payments plus all mandatory fees and charges.

bers offered amendments to the bill. There were nearly 30 unfriendly amendments offered, but most were beaten down by substantial votes in the subcommittee. The final vote on the bill out of the subcommittee was 24-4.

One change that was agreed to during the subcommittee process involved the bill's preemption language. When HR 1701 was first introduced, some consumer advocates deliberately misread the preemption language as having the federal law overrule all state rental-purchase statutes. This was never the intent of the legislation, but this interpretation was reinforced when the subcommittee got a letter from the National Association of Attorneys General signed by all 50 state attorneys general urging the subcommittee not to pass any bill that would overrule state rental-purchase statutes.

The subcommittee voted on a change to clarify this language in the bill so that states merely are precluded from regulating rental-purchase transactions as credit transactions or requiring the disclosure of an annual percentage rate disclosure.

The subcommittee also agreed to extend the statute of limitations in the bill. Consumers still have one year to bring an action for a violation of the statute, but the one-year period begins to run from the date the last payment was made on the account instead of the date of the violation. The subcommittee also changed the damage waiver language and further clarified the voluntary nature of the charge. Consumers must affirmatively elect or decline coverage and must separately sign the election.

Changes proposed before the full committee

As of this writing, the bill is still before the full House committee. However, negotiations continue behind the scenes as proponents attempt to garner more support for the bill and opponents either attempt to derail the bill's momentum or get additional changes to the bill's language that will satisfy them.

In the past 30 days there have been at least 17 additional amendments proposed to HR 1701. Opponents have told the committee chairman that they intend to offer as many as 30 more amendments during the full committee mark-up on the bill. This is unusual, since normally, once a bill has been amended at the subcommittee level, the full committee votes for or against the bill without further amendments being offered. The number of amendments still pending before the committee is evidence of the contentiousness that surrounds HR 1701.

A number of proposed changes involve price controls. One proposal would set cash prices at no more than twice the rental dealer's acquisition cost. The industry has rejected this proposal as out of hand.

Another proposal was to allow the Federal Reserve Board to set the industry's cash prices by regulation, which has also been rejected.

A recent proposal is to require the industry to disclose

not only the dealer's cash price, but also require a disclosure of the Manufacturer's Suggested Retail Price where such prices exist, so that price tags and advertising would have both amounts on them.

Accompanying this attempt to limit cash prices are additional proposals to require an early-purchase option as a set percentage of remaining rent. The percentages have varied from 50 percent to 65 percent and, in some proposals, they change over the life of the agreement.

There is also a proposal to require all rental dealers to offer a "90 days same as cash" option in rental-purchase agreements. The industry countered with a proposal to submit to the "90 days same as cash" requirement and then have a required early-purchase option for the duration of the agreement of not less than a 25 percent discount off of the total of remaining rental payments. This offer was made in exchange for several important Democratic votes on the full committee, but as of this writing, has not been accepted.

Also on the table is an extension of reinstatement rights from the current maximum of 90 days to a maximum of 180 days after the consumer has paid 75 percent or more of the total rental-purchase price.

Another proposed amendment to HR 1701 is to require rental dealers to transfer any unexpired manufacturer's warranty to the consumer upon ownership. This is a requirement in a number of states. The industry has no objection to adding this language to the federal bill.

Another proposal is to add language that will limit charging more than one late fee for a missed payment no matter how long the payment goes unpaid. This provision is intended to prevent rental dealers from being able to assess late charges on late charges and is the law in most consumer transactions that are regulated either at the state or federal level. The industry will not object to the addition of this language.

There has been language proposed that would better define "clear and conspicuous," the current standard for making the disclosures called for in the bill. The new definition reads as follows: "information...shall be worded plainly and simply and appear in a type size, prominence and location as to be readily noticeable, readable and comprehensible to an ordinary consumer."

Unless rental dealers are deliberately trying to obscure information in their agreements or in their advertising, this new language should not require a change in current disclosure practices.

Another proposal is to tie the liability and penalties sections in HR 1701 to the liability and penalties sections in the Truth-In-Lending Act. This will not mean any substantive change in those sections as they are currently drafted, but will allow these sections, as they apply to rental dealers, to be amended automatically whenever TILA is amended in the future.

As a practical matter, all of the nation's banks, savings and loans, credit unions and other lending institutions are governed by TILA and have an acute interest in how

that Act reads, especially the liability and penalties sections. It is no guarantee that one day those sections might not be amended, but it will be under the intense scrutiny of a lot of interested observers.

Other issues that have been raised and that the industry cannot accept include limits on liability damage waiver fees, late fees and all other fees that rental dealers charge. There have been specific dollar limit proposals as well as language that all fees for other charges "must be reasonably related to the cost of any services performed."

There is a proposal to delete language in HR 1701 concerning a rental dealer's ability to correct errors discovered before getting written notice of the error and before getting sued because of it.

There is a proposal to expose rental dealers to liability

Passion

CAN GO A LONG WAY IN POLITICS. OUR OPPONENTS ARE OFTEN MORE PASSIONATE ABOUT THEIR POSITION THAN INDUSTRY SUPPORTERS ARE ABOUT THEIRS. THE INDUSTRY MUST MAINTAIN CONSTANT VIGILANCE OVER THE PROCESS.

for advertising errors without proof of any actual damages. HR 1701 currently requires proof of actual damages before a consumer can recover for an advertising violation.

There is a proposal to add another disclosure concerning "any damages to the property" as part of the description of the property and a proposal to prohibit rental dealers from offering alternative payment schedules in the same rental-purchase agreement, presumably because it might confuse consumers.

HR 1701 currently limits the penalty for a violation of the disclosure requirements to an amount between \$100 and \$1,000. There are proposals to raise the floor from \$100 to \$250 and to eliminate the cap on the penalty. These amounts are in addition to any actual damages incurred by a consumer.

There is a proposal to prohibit rental dealers from threatening or invoking criminal prosecution of a rental customer without clear and convincing evidence of a crime. This language would effectively mean that unless the customer were convicted after being charged, the rental dealer would get sued for malicious prosecution and a violation of the federal law as well.

There is a proposal to prohibit a rental dealer from using the word "free" or otherwise indicate that something is available without charge if the rental dealer

"charges the consumer, including any service for which an additional charge is collected by inclusion in the amount required to be paid under the agreement when such amounts exceed that paid for like goods or services by other consumers in the ordinary course of business."

There is a proposal to give consumers a right to rescind all agreements with an initial term longer than one week. Consumers could cancel within 48 hours of signing an agreement and get all of their money back. In addition, consumers would be able to get a completed rental-purchase agreement to take home and review for 24 hours.

There is a proposal to clarify that balloon payments are prohibited in rental-purchase agreements. There is a proposal to add an annual percentage rate disclosure to the bill. There is a proposal to exempt Vermont from coverage of the bill.

This is by no means an exhaustive listing of the kinds of changes various members of the full committee have either suggested or threatened during negotiations leading up to the full committee vote.

The industry is convinced that if its many supporters show up when HR 1701 is considered, there will be a substantial majority of committee members in favor of the bill and the handful of amendments that the industry has indicated are all right to make. The risk in politics is that the industry's friends will have other commitments on the day of the vote and that opponents will be able to push through some of

the more objectionable amendments. Then the industry will be forced to try to amend the bill further on the floor of the House or attempt to scuttle the effort altogether.

It is a blood sport, politics, as all of the active participants in the process are well aware. There are full committee members who would like nothing better than to see the entire rental-purchase industry go out of business forever. They are, in fact, often more passionate about their position than industry supporters are about theirs. Passion can go a long way in politics. The industry maintains constant vigilance over the process because it must in order to ensure a proper and fair outcome.

The committee chairman has already canceled a vote on HR 1701 two times in the past two weeks. Another vote has been scheduled for late June. Rental dealers are urged to follow the progress of HR 1701 closely as it moves through Congress and to voice any concerns about language in the bill to APRO board members or staff. Copies of the current version of HR 1701 plus language concerning most of the amendments discussed above are available to APRO members upon request or can be found on APRO's Web site at www.apro-rto.com/.

Ed Winn III is APRO's legal counsel. His e-mail address is edwinn@e-bylaw.com.

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ou had high hopes when you hired Ruth to head up your marketing department. She had just the right business skills and got along great with people in her previous position. What more could you ask? Plenty, as it turned out. Although Ruth brought lots of enthusiasm and talent to your organization, she never seemed to get the support of the staff. Her directives were ignored. Her plans to improve business performance never got off the ground. Finally, after many months of struggling, Ruth resigned. By that time, your revenues had gone south and you were saddled with yet another costly talent search.

HOW TO REDUCE COSTLY OFFICE POLITICS AT YOUR BUSINESS BY PHILLIP M. PERRY



What happened? Office politics, that ugly and costly drain on business profit, had struck again. During Ruth's second week on the job, one of her staff members had turned to Allan, a veteran supervisor and informal group leader, and asked a single question: "So what do you think of Ruth?"

Allan pursed his lips and shook his head slightly, saying nothing else. But that was enough: Everyone understood that Ruth was not to be supported by anybody who wanted to stay in Allan's good graces.

Power plays hurt profits

Office politics is the practice of accumulating and utilizing power. Our opening story is a prime example of how destructive behavior can wreck a business. Moreover, the anecdote illustrates a costly lesson that some businesses never learn: Successful managers and supervisors do more than master technical skills and get along well with people. They also become "master politicians." Not only can they identify and overcome destructive power plays like Allan's, but they are also skilled at employing office politics for good purposes (see sidebar: "Good Office Politics.")

In the opening story above, Allan played the role of a master politician. With a shake of his head, he marshaled the power of his loyal co-workers against a new manager who he regarded as a threat to his own hold on power. The result was a dysfunctional work place and a broken profit machine.

"Office politics is absolutely a bottom line issue," says Ian Jacobsen, a Sunnyvale, CA-based consultant who has dealt with destructive office politics at many businesses. "One supervisor recently told me she was spending 40 percent of her time dealing with office politics, so her company was really only getting less than two-thirds of that person for actual work while paying her a full salary."

Wasted time is not the only damaging aspect of such

power struggles, says Jacobsen. "Office politics also diverts the organization from accomplishing its mission because people are pursuing their personal agendas rather than the business mission." In our opening story, Allan pursued his own goal of maintaining his power over his peers instead of helping Ruth institute her ideas.

Damaging as it is, office politics is here to stay because it is part of human nature. "No one ever checks their humanity at the door when they come to work," says Michael S. Dobson, a management consultant based in Bethesda, MD. "We all bring ourselves to the work place."

In fact, destructive office politics is more prevalent today, say organizational consultants. "Some people thought politics was on the way out with the movement toward promoting cooperation among people at many businesses," says Andrew DuBryn, professor of management at the Rochester Institute of Technology, Rochester, NY, and author of the best-selling *Winning Office Politics*. "But there is actually more back-stabbing in recent times as companies continue to shrink and people compete for the best positions."

During difficult financial times, people feel less secure about their jobs and will do whatever they see in their interest to secure their paychecks, says DuBryn. People act in their own economic best interests and as long as those interests are misaligned with the corporate interests, you will experience destructive power plays.

There is another reason for the growth of office politics, says DuBryn. "Many more people have learned the value of networking as a tool for becoming liked. People recognize intuitively that the last people to go are the people most liked."

How to reduce office politics

Office politics turns destructive when people are rewarded for who they are and who they know—not for how well they perform. Staff members realize that no matter how good they are at their jobs, they are in danger of losing their paychecks to someone who is in better favor with the boss. Rather than concentrating on serving the customer and improving their work skills, people focus on playing up to their supervisors and forming powerful cliques that can overcome common threats.

We saw both results in this story's opening anecdote. First, Allan's clique responded to his desire for control, understanding he would protect them in turn. Second, the group was able to destroy an individual who seemed to threaten their common power. All of this came about because the interests of staff members were misaligned with that of the business.

"People play office politics for only one reason—they believe it is in their best interest," says Lawrence Serven, principal of a consulting firm called The Buttonwood Group, in Stamford, CT. "Often that belief is well founded. It's really the

CHARACTERISTICS OF OFFICE POLITICS

At businesses riddled with destructive office politics, people do the following:

Build empires rather than improve business performance.

Push for agendas that enhance their personal power, not company profit.

Focus on protecting their jobs because they do not feel safe.

Take credit for others' work.

Sabotage others and engage in character assassination.

Hurt others' feelings.

Discount others' achievements.

Engage in favoritism.

system that is to blame, not the person.” To reduce the power of office politics, says Serven, change the system to one that rewards performance. “Office politics needs to be addressed just like any other performance issue.”

Here are five positive steps you can take to establish a productive reward system that will bring each individual’s goals in line with those of your business:

1. Set a good example.

Start by taking a fresh look at your own behavior. “Make sure you do not play destructive office politics yourself,” says Jacobsen. “Ask yourself, ‘What games am I playing?’ and ‘How would things look if I were a fly on the wall?’ Once you have an unbiased perspective, make an effort to institute more productive ways of interacting.” Make a conscious effort to reduce the impact that personal relationships have on decision making.

2. Outline and communicate the goals of your organization.

Your staff needs to understand your organization’s goals before they can share them. “One role of management is to define the business,” says Dobson. “Answer the question, ‘What do we do for a living around here?’ The more clear you are about the company mission, the better.”

3. Describe each person’s contribution to the goal.

How do you define quality performance? This question needs to be answered in specific terms for each individual. “Office politics turns bad to the extent that quality performance cannot be specifically defined,” says Dobson. “If

I think I am doing a good job and you say I’m not, then I start to believe you are persecuting me, so things get nasty.” Without objective performance criteria that everyone accepts, staff members will compete in any way they know how for the limited organizational resources.

4. Maintain objective performance evaluations.

Regularly scheduled, objective performance evaluations are your best tools for reducing the impact of office politics. When it comes to feeling secure about their jobs, people look upon favorable reviews as valuable support. Even unfavorable reviews, when carefully prepared and presented, are seen as guides for getting back on a secure track. In both cases, people who know where they stand will be less fearful about losing their jobs and will devote less time to creating power centers and more to improving work performance.

Finally, evaluations work well when individuals know they have the power and resources to improve their positions. Encourage autonomy among individuals by making sure they possess the means to achieve the specific goals outlined in the performance evaluations.

5. Call people on games they play.

Suppose Andy approaches you with the following statement: “I have some negative things to tell you about Nick. He appears to be slacking off quite a bit in his work.”

It seems like destructive office politics at work or could it be that Andy has really spotted something serious? DuBryn suggests a response such as this: “Fine, let’s bring Nick in here and have a three-way conference.”

GOOD OFFICE POLITICS

While this article offers suggestions on how to reduce the destructive nature of politics in the work place, not all office politics is bad. Smart managers use their political skills to get things done that are good for the business and the staff.

“Politics is the art of the possible,” says Ian Jacobsen, a Sunnyvale, CA-based consultant who has dealt with destructive office politics at many businesses. “Being able to develop a group consensus for action is a healthy form of politics.

The implementation of any program will go better if you can get everyone on board.”

When you need to put a new program in place, Jacobsen suggests the following three-step outline for political action:

First, sell the problem. “People are not willing to consider solutions before they see a pressing problem. So make people aware there is a problem and define its impact.”

Second, engage people in the process of deciding how to solve the problem. “When people feel empowered because they have

invested their own ideas in a solution, they will take ownership of the problem.”

Finally, set up checkpoints and measurable standards. These will help the staff assess progress toward solving the problem.

This three-step procedure marshals the force of the entire staff behind any new initiative. Getting people committed to a new program is an excellent example of manipulating power in a positive sense. It’s “good office politics” at work.

This is a very effective technique because "exposure is the best disinfectant," says DuBrin. "Everyone will understand that if you make negative statements about people, there will be a three-way conference or more. This will quickly freeze up a lot of people; they will not make accusations unless well-founded."

Change for the better

Above all, be aware that you can reduce the incidence of destructive power plays. "In many organizations, there is a sense that we can't do anything about office politics, so we should ignore the issue," says Serven.

"That's about as much of a solution as you find in a lot of companies. But you will never have zero errors or 100 percent employee retention or complete absence of sexual harassment. Does that mean that you don't make progress? Of course not."

The secret is to work toward a single end result: a company that rewards people on merit. When you reduce destructive office politics to a minimum you will have a more productive work force and a healthier bottom line. ■

Phillip M. Perry is a free-lance business writer based in New York City.

GET MORE INFORMATION:

Winning Office Politics, by Andrew J. DuBrin (1990). One of the most comprehensive descriptions of political strategies. Prentice Hall, 240 Frisch Court, Paramus, NJ 07652; \$14.95.

Enlightened Office Politics, by Michael and Deborah Singer Dobson (2001). How to play office politics in the good sense. Amacom, 1601 Broadway, New York, NY 10019; 800/714-6395; \$17.95.

The End of Office Politics as Usual, by Lawrence B. Serven (2002). Emphasis on fixing the organizational system that encourages office politics in a business. Amacom, 1601 Broadway, New York, NY 10019; 800/714-6395; \$24.95.

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SUCCESSFUL rent-to-own dealers nationwide have several things in common when it comes to marketing, not the least of which is a preference for planning. Although there are marketing tactics you can implement today that will certainly generate new business immediately (and you'll hear more about those later), to be more profitable in the long run, research and planning must come first.

MARKETING

TO GROW

EIGHT TIPS TO GENERATE NEW BUSINESS
BY MARCIA LAYTON TURNER

1. WRITE A MARKETING PLAN

You need to have a plan with specific goals," says Larry Carrico, owner of Rent One in Mount Vernon, IL. "You need to set realistic targets for your own business based on what you've done in the past," he says, which means doing some research up front. Carrico relies on APRO's annual statistical survey for a guide to industry averages, which lets him know which of his 34 stores are below average and which are above.

Based on that information and his own historical record-keeping, Carrico can map out sales targets for each store, along with cost estimates, inventory purchase plans and marketing budgets. Carrico's company spends 5.5 percent to 6 percent of sales on marketing each year, which is well within the 4 percent to 7 percent range he reports is the standard for the rent-to-own industry.

With a marketing plan in-hand that tells his managers what they should expect month-to-month in terms of sales, expenses, inventory needs, hiring and promotions, his staff is better prepared to meet the targets that have been set.

With performance standards established as part of the marketing plan, Carrico can evaluate his stores and managers on an ongoing basis. Likewise, managers know where they need to improve, whether it's amount spent per month per customer or number of products currently rented.

2. INVEST IN TRAINING

A marketing plan may well set you on the road to riches, but you may still encounter problems with implementation. Carrico has learned that in many cases, poor performance in one area may be the result of inexperience or misinformation. Fortunately, both can be corrected with training.

For example, "an employee's fear of computers may be the reason that your store is renting fewer of them," he says. By investigating areas where performance is below the industry average, you may discover skills your employees can improve through seminars or classes.

3. NETWORK, NETWORK, NETWORK

Carrico has found that the store managers who are most visible in the community often have higher revenue-producing stores. "How active a manager is in the community makes a difference," he says. Carrico tries to encourage community involvement by announcing new managers via a press release to the local press and by featuring managers involved in community service in the store's internal newsletter.

4. LOOK FOR SPEAKING OPPORTUNITIES

Another effective marketing tool is public speaking, which Jay Conrad Levinson, author of the best-selling *Guerrilla Marketing* series, believes is one of the best tactics around.

"By offering a half-hour talk about your industry, such as trends in rent-to-own or on a public service project you're involved in, you become an authority for the audience to look up to," says Levinson. Given widespread fear of public speaking, you'll likely have little competition for such engagements within your industry. As long as you're not selling anything directly or are too self-promotional, Levinson has found that more than 50 percent of the audience is

likely to become a referral source—or a customer.

Levinson also recommends free clinics or in-store demonstrations to bring potential customers in and to encourage existing customers to try a new product. Computer demonstrations or classes are likely to boost rentals of those products, just as a presentation on "50 Ways to Save Money" (using rent-to-own, of course) may spur rentals of large appliances covered in the talk, such as a second freezer.

"BY OFFERING A HALF-HOUR TALK ABOUT YOUR INDUSTRY, SUCH AS TRENDS IN RENT-TO-OWN OR ON A PUBLIC SERVICE PROJECT YOU'RE INVOLVED IN, YOU BECOME AN AUTHORITY FOR THE AUDIENCE TO LOOK UP TO."

5. BILL MONTHLY

One unconventional marketing strategy that works well for a successful rental-purchase business owner in Yakima, WA, may at first sound self-defeating. Where

most rent-to-own operations look for opportunities to have more face-to-face contact with their customers, Mark Peterson of H&H Furniture Inc. prefers to have less.

Instead of requiring weekly or biweekly payments from customers, as is the industry norm, Peterson sends out monthly bills. "The cost of mailing is lower than driving out to track down a payment every week and it's more professional," he says. In addition, he can insert promotional materials with the bill, taking advantage of each monthly contact with his customers. By encouraging customers to treat their rental payment just like other household bills, Peterson reports a low loss ratio.

Another benefit is a much higher keep rate. H&H has a keep rate far above the 30 percent industry average, which Peterson attributes largely to his monthly billing policy.

6. USE MULTIFACETED PROMOTIONAL CAMPAIGNS

At the core of many rent-to-own marketing programs is a multifold campaign that coordinates several tactics to drive home one message.

Amy Zeller-Fankhauser, vice president of City Rentals Inc., who has seven stores in and around Defiance, OH, invests in direct mail campaigns coordinated with radio advertising. City Rentals is currently running a new in-store promotion similar to the McDonald's

Monopoly game to bring customers back into the store.

Carrico is also a believer in multi-part marketing pushes, which he organizes around a theme. Right now, his Rent One stores have a "Say No to Laundromats" promotion designed to encourage washer and dryer rentals. To support his theme, Carrico has bought radio and television advertising and has designed four-page flyers to be sent to potential, existing and past customers. Rarely does he rely on just one tactic.

Similarly, Peterson is constantly trying different mixes of the same marketing tactics as part of multi-level campaigns. However, he sticks to one main message, positioning H&H Furniture as the "Couch Potato Headquarters" and mentions that in every promotion he undertakes.

Because Yakima has very low-cost television advertising, 60 percent of H&H Furniture's marketing budget is invested in that medium, with the remaining 40 percent split between print and radio advertising. During four promotions scheduled throughout the year, such as the Christmas holiday, Fiesta Furniture Event in May, an anniversary sale in the summer and a floating promotion that they frequently use to tie in to a new store's grand opening event, Peterson makes heavy advertising buys for his four stores.

Where print, television and radio advertising are purchased to coincide with an upcoming promotional campaign, many stores also invest in ongoing advertising methods, such as Yellow Page ads under the "rental" category or telephone message-on-hold systems.

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*See store for details. In-store promotion only. Intended for City Rentals customers. We are not responsible for lost or stolen cards or game pieces.

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Above: H&H Furniture promotes its products heavily during four annual marketing campaigns, including this one for Fiesta Days each May. All of the company's marketing efforts pull in the "Couch Potato Headquarters" message. Right: City Rentals recently introduced a bingo board promotion designed to educate customers on the wide variety of products its stores carry and to encourage extra visits and payments.

between targeting new and existing customers.

H&H Furniture's Peterson ties his two annual direct mailings into one of his four seasonal pro-

7. TRY DIRECT MAIL

City Rentals' largest marketing expenditure is in direct mail, which accounts for 40 percent to 45 percent of the company's marketing budget. Zeller-Fankhauser does about five mailings a year, alternating

BONUS MARKETING TIPS

- Have colorful banners designed to draw attention to your storefront and entice shoppers to stop in, which City Rentals does.
- Call your local newspaper and suggest that your business be featured in the business section. Send in press releases announcing new employees.
- Rally your employees to place door-hanger promotions in certain, high-potential neighborhoods.
- Let managers design their own promotions. Not only does it increase their commitment to meeting their targets, says Larry Carrico, but it also ups the chance that they will surpass their goal.
- Have a late night, invitation-only sale for current customers.
- Send out coupons to customers who have just paid off their account to give them a reason to sign back up.
- Be sure your advertising program caters to your local audience. That may mean advertising on Spanish television networks, as Peterson does, for example, or in local foreign language community newspapers.

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motions, targeting new and existing customers. What makes Peterson's challenge unusual, however, is that his four stores cater to four totally distinct populations, requiring that he alter his message to fit his customers' needs.

The direct mailing to his customers on an Indian reservation is unlike the mailer to his metropolitan customer base nor like the mountain community (think "Northern Exposure," he says) or his Hispanic neighborhood. Tweaking the message or the promotion to fit your customer profile is important and can yield results well above average when done well.

Carrico's direct mailings are designed only after careful analysis of his stores' strengths and weaknesses. He says his best first mailer is to a current customer's home to suggest a product he or she doesn't already have. He looks at income, location and gender when creating his mailers, trying to appeal directly to his buyer.

8. INVEST IN IN-STORE PROMOTIONS AND GIVEAWAYS

Zeller-Fankhauser's new Bingo board promotion is the first of such in-store promotions City Rentals has tried, but it seems to be working, she says. By offering game pieces to customers who take a specific action, such as bringing in a new customer, re-renting or making a payment, Zeller-Fankhauser's goal was to educate customers about the range of products the stores carry, as well as generating more revenue. "Some customers make an extra payment just to get a game piece," she says, which is exactly what she had hoped would happen.

The key to getting more customers and making more money is not in quickie promotions, but in designing a program that is constantly building on itself. By investing time identifying your most lucrative prospects, establishing a marketing budget that fits your total sales volume and setting minimum performance standards for any new marketing campaign, you'll be much more profitable. ■

Marcia Layton Turner is a free-lance writer.

WHO'S WHO IN

Jewelry

The following list of electronics suppliers cater to the rental-purchase industry. All are either APRO associate members (*), advertisers in APRO publications (+), APRO convention exhibitors (^) or APRO-endorsed member benefit program providers (~).

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It's been nearly six years since the state of California had its own rental dealers association having been disbanded in 1996. Considering its sheer size and number of rental stores (314) in the state, it's been no small feat for Nations Rent-To-Own owner Paul Davis to get the state association recharged and dealers' interest piqued. But where there is a will, there's a way, and by the time rental dealers gather in Las Vegas for the 2002 APRO convention at the end of July, Davis expects to have a full-service organization up and running to serve California rental dealers once again.

"We are really in the infancy stage right now," says Davis. "We have been busy updating our membership and associate member lists, posting our Web site (www.cal-apro.com), printing membership kits and just getting the word out that we're re-organizing. We're focusing on the entire state; our goal is to have 80 percent penetration. We are also proud to report that most of the corporate ColorTyme stores in the state are joining."

Davis' primary goal and motivation in bringing Cal-APRO back to life is to create a unified voice for the industry before the state legislature. "Not having an organization leaves us vulnerable to the whims of state and local legislatures to dictate how we, as an industry, conduct business," he says. "Right now, we have no voice, no power and no protection. We need this organization to help head off any potential attacks. As a small, local dealer, I can't think of anything more important. I do not want to scramble for national assistance when the ball drops. Rather, I would prefer to be informed and ready for anything that might occur."

Davis also wants Cal-APRO to revisit existing laws that "were probably somewhat reasonable at the time, but need a new look considering the growth and advanced professionalism of the industry." Some of the current laws are very restrictive, Davis says.

To do this, Davis would like dealers to get acquainted with the legislators "in their own back-

Progressive Rentals is profiling each state rental dealers association. Without these organizations and grassroots activities on the state level, the industry would not be as successful as it is today. You may find ideas here that can be applied to your state association. We want to hear from you. Contact Julie Sherrier at APRO at 800/204-2776 or e-mail jsherrier@apro-rfo.com.

yards. We're not asking for anything right now. Our long-range plans, however, are to address these laws in order to create a fair business environment for the rental-purchase transaction," says Davis.

Assisting Davis in his efforts is his wife, May Davis, who is serving Cal-APRO as its executive director. "May has been gracious enough to assume the role of executive director for Cal-APRO. She is giving 100 percent of her time to act in this capacity with no compensation. So far, she has been instrumental in taking calls from companies who need accounting help, for example, or direction or that have membership questions."

Once a good pool of members has been gathered, Davis says that he has already tapped industry vendors who are anxious to do business with new Cal-APRO members. "Twenty different companies have already expressed an interest in joining," he says.

Bylaws, a mission statement, a code of ethics and a list of Cal-APRO goals have all been developed and are included in the new membership packets. The goals of the new association are: to improve communications; to certify dealers and employees; to improve legislative participation; to implement a customer satisfaction survey; to enhance public image; and to increase products and services.

"By the time of the APRO convention, we hope to be a full-service association like TARA, IRDA, ORDA, MRDA, etc. And we are one of the few state rental dealer associations with an operating Web site, which actually was the easy part," says Davis. "We can't afford to be uninvolved. Independent operators should organize to help make changes to laws that will make doing business more profitable. We need that one strong voice to make our legislators aware of what we do and hear it from us, not consumer advocacy groups. Right now, we have that lack of voice and, as a result, the legislature only hears one side of the story."

To find out more, visit www.cal-apro.com or call May Davis at 909/697-9275.

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